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PERIOR COURT OF CALIFORNIA
COUNTY OF LOS ANGELES Reuben Yeroushalmi (SBN 193981) 1 Daniel D. Cho (SBN 105409) Ben Yeroushalmi (SBN 232540) 2 JUL 2 7 2011 YEROUSHALMI & ASSOCIATES 3 9100 Wilshire Boulevard, Suite 610E John A. Clarke, Executive Officer/Clerk Beverly Hills, California 90212 4 310.623.1926 Telephone: Facsimile: 310.623.1930 5 6 Attorneys for Plaintiff, Consumer Advocacy Group, Inc. 7 8 SUPERIOR COURT OF THE STATE OF CALIFORNIA 9 COUNTY OF LOS ANGELES – CENTRAL DISTRICT 10 11 **CASE NO. BC 465246** CONSUMER ADVOCACY GROUP, INC., 12 in the public interest, 13 FIRST AMENDED COMPLAINT FOR Plaintiff, PENALTY, INJUNCTION, AND 14 RESTITUTION 15 FINE DISCOUNT NO. 1, INC., a California Violation of Proposition 65, the Safe 16 Drinking Water and Toxic Enforcement corporation; GENERAL DISCOUNT Act of 1986 (Health & Safety Code, § STORES, a business entity unknown; 17 ELECTRIX, INC., a Connecticut 25249.5, et seq.) 18 corporation; and DOES 1-50 ACTION IS AN UNLIMITED CIVIL 19 Defendants. CASE (exceeds \$25,000) 20 21 Plaintiff Consumer Advocacy Group, Inc. alleges a cause of action against Defendants as 22 follows: 23 /// 24 /// 25 ///26 /// 27 28 FIRST AMENDED COMPLAINT FOR VIOLATION OF PROPOSITION 65, THE SAFE DRINKING WATER

AND TOXIC ENFORCEMENT ACT OF 1986 (HEALTH AND SAFETY CODE § 25249.5, ET SEQ.)

THE PARTIES

- 1. Plaintiff Consumer Advocacy Group, Inc. ("Plaintiff" or "CAG") is a non-profit corporation qualified to do business in the State of California. CAG is a person within the meaning of Health and Safety Code section 25249.11, subdivision (a). CAG, acting as a private attorney general, brings this action in the public interest as defined under Health and Safety Code section 25249.7, subdivision (d).
- 2. Defendant Fine Discount No. 1, Inc. ("Fine Discount") is a company incorporated in the State of California.
- 3. Defendant General Discount Stores ("General Discount") is a business entity, form unknown, qualified to do business and doing business in the State of California at all relevant times herein.
- 4. Defendant Electrix, Inc. ("Electrix") is a company incorporated in the State of Connecticut, qualified to do business and doing business in the State of California at all relevant times herein.
- 5. Plaintiff is ignorant of the true names and capacities of Defendants Does 1-50, and therefore sues these defendants by such fictitious names. Plaintiff will amend this complaint to allege their true names and capacities when ascertained. Plaintiff is informed, believes, and thereon alleges that each fictitiously named defendant is responsible in some manner for the occurrences herein alleged and the damages caused thereby.
- 6. At all times mentioned herein, the term "Defendants" includes Fine Discount, General Discount, Electrix, and Does 1-50.
- 7. Plaintiff is informed and believes, and thereon alleges that each of the Defendants at all times mentioned herein have conducted business within the State of California.
- 8. At all times relevant to this action, each of the Defendants was an agent, servant, or employee of each of the other Defendants. In conducting the activities alleged in this Complaint, each of the Defendants was acting within the course and scope of this agency,

service, or employment, and was acting with the consent, permission, and authorization of each of the other Defendants. All actions of each of the Defendants alleged in this Complaint were ratified and approved by every other Defendant or their officers or managing agents. Alternatively, each of the Defendants aided, conspired with and/or facilitated the alleged wrongful conduct of each of the other Defendants.

9. Plaintiff is informed, believes, and thereon alleges that at all relevant times, each of the Defendants was a person doing business within the meaning of Health and Safety Code section 25249.11, subdivision (b), and that each of the Defendants had ten (10) or more employees at all relevant times.

JURISDICTION

- 10. The Court has jurisdiction over this lawsuit pursuant to California Constitution Article VI, Section 10, which grants the Superior Court original jurisdiction in all causes except those given by statute to other trial courts. This Court has jurisdiction over this action pursuant to Health and Safety Code section 25249.7, which allows enforcement of violations of Proposition 65 in any Court of competent jurisdiction.
- 11. This Court has jurisdiction over Defendants named herein because Defendants either reside or are located in this State or are foreign corporations authorized to do business in California, are registered with the California Secretary of State, or who do sufficient business in California, have sufficient minimum contacts with California, or otherwise intentionally avail themselves of the markets within California through their manufacture, distribution, promotion, marketing, or sale of their products within California to render the exercise of jurisdiction by the California courts permissible under traditional notions of fair play and substantial justice.
- 12. Venue is proper in the County of Los Angeles because one or more of the instances of wrongful conduct occurred, and continues to occur, in the County of Los Angeles and/or

because Defendants conducted, and continue to conduct, business in the County of Los Angeles with respect to the consumer product that is the subject of this action.

BACKGROUND AND PRELIMINARY FACTS

- 13. In 1986, California voters approved an initiative to address growing concerns about exposure to toxic chemicals and declared their right "[t]o be informed about exposures to chemicals that cause cancer, birth defects, or other reproductive harm." Ballot Pamp., Proposed Law, Gen. Elec. (Nov. 4, 1986) at p. 3. The initiative, The Safe Drinking Water and Toxic Enforcement Act of 1986, codified at Health and Safety Code sections 25249.5, et seq. ("Proposition 65"), helps to protect California's drinking water sources from contamination, to allow consumers to make informed choices about the products they buy, and to enable persons to protect themselves from toxic chemicals as they see fit.
- 14. Proposition 65 requires the Governor of California to publish a list of chemicals known to the state to cause cancer, birth defects, or other reproductive harm. *Health & Safety Code* § 25249.8. The list, which the Governor updates at least once a year, contains over 700 chemicals and chemical families. Proposition 65 imposes warning requirements and other controls that apply to Proposition 65-listed chemicals.
- 15. All businesses with ten (10) or more employees that operate or sell products in California must comply with Proposition 65. Under Proposition 65, businesses are: (1) prohibited from knowingly discharging Proposition 65-listed chemicals into sources of drinking water (*Health & Safety Code* § 25249.5), and (2) required to provide "clear and reasonable" warnings before exposing a person, knowingly and intentionally, to a Proposition 65-listed chemical (*Health & Safety Code* § 25249.6).
- 16. Proposition 65 provides that any person "violating or threatening to violate" the statute may be enjoined in any court of competent jurisdiction. *Health & Safety Code* § 25249.7. "Threaten to violate" means "to create a condition in which there is a substantial probability that a violation will occur." *Health & Safety Code* § 25249.11(e).

- Defendants are also liable for civil penalties of up to \$2,500.00 per day per violation, recoverable in a civil action. *Health & Safety Code* § 25249.7(b).
- 17. Plaintiff identified certain practices of manufacturers, distributors, and retailers of Lead-bearing products of exposing, knowingly and intentionally, persons in California to the Proposition 65-listed chemicals of such products without first providing clear and reasonable warnings of such to the exposed persons prior to the time of exposure. Plaintiff later discerned that Defendants engaged in such practice.
- 18. On October 1, 1992, the Governor of California added Lead and Lead compounds to the list of chemicals known to the State to cause cancer (*Cal. Code Regs.* tit. 27, § 27001(b)). Pursuant to Health and Safety Code sections 25249.9 and 25249.10, twenty (20) months after addition of Lead and Lead compounds to the list of chemicals known to the State to cause cancer, Lead and lead compounds became fully subject to Proposition 65 warning requirements and discharge prohibitions.
- 19. On February 27, 1987, the Governor of California added Lead to the list of chemicals known to the State to cause reproductive toxicity (*Cal. Code Regs.* tit. 27, § 27001(c)). Lead is known to the State to cause developmental, female, and male reproductive toxicity. Pursuant to Health and Safety Code sections 25249.9 and 25249.10, twenty (20) months after addition of Lead to the list of chemicals known to the State to cause reproductive toxicity, Lead became fully subject to Proposition 65 warning requirements and discharge prohibitions.

SATISFACTION OF PRIOR NOTICE

20. On or about August 19, 2010, Plaintiff gave notice of alleged violations of Health and Safety Code section 25249.6, concerning consumer products exposures and occupational exposures, subject to a private action to Fine Discount No. 1, Inc., identified in the notice as "doing business as 'General Discount Stores,'" and to the California Attorney General, Los Angeles County District Attorney, and Los Angeles City Attorney, concerning the product WBTC Electrical Tape.

- 21. On or about August 19, 2010, Plaintiff gave notice of alleged violations of Health and Safety Code section 25249.6, concerning consumer products exposures and occupational exposures, subject to a private action to Fine Discount No. 1, Inc., identified in the notice as "doing business as 'General Discount Stores,'" and to the California Attorney General, Los Angeles County District Attorney, and Los Angeles City Attorney, concerning the product 100 AMP Battery Booster Cable, "Heavy Duty," "Copper," "Made to the Highest Specifications."
- 22. On or about August 19, 2010, Plaintiff gave notice of alleged violations of Health and Safety Code section 25249.6, concerning consumer products exposures, subject to a private action to Electrix, Inc., Fine Discount No. 1, Inc., identified in the notice as "doing business as 'General Discount Stores,'" and to the California Attorney General, Los Angeles County District Attorney, and Los Angeles City Attorney, concerning the product Indoor/ Outdoor Floodlight Holder Kit (item no. EC1806FL).
- 23. Before sending the notices of alleged violations, Plaintiff investigated the consumer products involved, the likelihood that such products would cause users to suffer significant exposures to Lead, and the corporate structure of each of the Defendants.
- 24. Plaintiff's notice of alleged violation included a Certificate of Merit executed by the attorney for the noticing party, CAG. The Certificate of Merit stated that the attorney for Plaintiff who executed the certificate had consulted with at least one person with relevant and appropriate expertise who reviewed data regarding the exposure to Lead, which is the subject Proposition 65-listed chemical of this action. Based on that information, the attorney for Plaintiff who executed the Certificate of Merit believed there was a reasonable and meritorious case for this private action. The attorney for Plaintiff attached to the Certificate of Merit served on the Attorney General the confidential factual information sufficient to establish the basis of the Certificate of Merit.

- 25. Plaintiff's notice of alleged violations also included a Certificate of Service and a document entitled "The Safe Drinking Water & Toxic Enforcement Act of 1986 (Proposition 65) A Summary." Health & Safety Code § 25249.7(d).
- 26. Plaintiff is commencing this action more than sixty (60) days from the dates that Plaintiff gave notice of the alleged violations to Fine Discount, General Discount, and the public prosecutors referenced in Paragraphs 20, 21, and 22.
- 27. Plaintiff is informed, believes, and thereon alleges that neither the Attorney General, nor the Los Angeles County District Attorney or Los Angeles City Attorney has commenced and is diligently prosecuting an action against the Defendants.

FIRST CAUSE OF ACTION

(By Consumer Advocacy Group, Inc. and against Fine Discount No. 1, Inc., General Discount Stores, and Does 1-50 for Violations of Proposition 65, The Safe Drinking Water and Toxic Enforcement Act of 1986 (Health & Safety Code, §§ 25249.5, et seq.))

WBTC Electrical Tape

- 28. Plaintiff Consumer Advocacy Group, Inc. repeats and incorporates by reference paragraphs 1 through 27 of this complaint as though fully set forth herein.
- 29. Each of the Defendants, Fine Discount, General Discount, and Does 1-50, is, and at all times mentioned herein was, a manufacturer, distributor, promoter, or retailer of WBTC Electrical Tape (hereinafter "Tape"), a consumer product designed for use in electrical appliances.
- 30. Plaintiff is informed, believes, and thereon alleges that the Tape contains Lead.
- 31. Defendants knew or should have known that Lead has been identified by the State of California as a chemical known to cause cancer and reproductive toxicity and therefore was subject to Proposition 65 warning requirements. Defendants were also informed of the presence of Lead in the Tape by virtue of Plaintiff's notice of alleged violations further discussed above at Paragraph 20.
- 32. Plaintiff's allegations regarding the Tape concern "[c]onsumer products exposure[s]," which "is an exposure that results from a person's acquisition, purchase, storage,

consumption, or other reasonably foreseeable use of a consumer good, or any exposure that results from receiving a consumer service." *Cal. Code Regs.* tit. 27, § 25602(b). Tape is a consumer product, and, as mentioned herein, exposures to Lead took place as a result of such normal and foreseeable consumption and use thereof.

- 33. Plaintiff's allegations regarding the Tape also concern "[o]ccupational exposure[s]," which are exposures "to any employees in his or her employer's workplace." *Cal. Code Reg.* tit. 27, § 25602(f). As mentioned herein, employees were exposed to Lead in their employer's workplace as a result of handling Tape, in conjunction with packaging, shipping, distributing and/or selling Tape, among other activities, without having first been given clear and reasonable warnings that such handling would cause exposures to Lead.
- 34. Plaintiff is informed, believes, and thereon alleges that between June 28, 2007 and the present, each of the Defendants knowingly and intentionally exposed their employees and California consumers and users of Tape, which Defendants manufactured, distributed, or sold as mentioned above, to Lead, without first providing any type of clear and reasonable warning of such to the exposed persons before the time of exposure.

 Defendants have distributed and sold Tape in California. Defendants know and intend that California consumers will use and consume Tape thereby exposing them to Lead.

 Defendants thereby violated Proposition 65.
- 35. The principal routes of exposure were through inhalation, oral ingestion, including hand to mouth pathways, and trans-dermal absorption. Persons sustain exposures by handling the Electrical Tape without wearing gloves or by touching bare skin or mucous membranes with gloves after handling the Electrical Tape, as well as hand to mouth contact, hand to mucous membrane, or breathing in particulate matter emanating from the Electrical Tape during installation and use. Additionally, Children and infants may be exposed by touching the Electrical Tape and putting the Electrical Tape in their mouths.

Specifications" 41. Plaintiff Consumer Advocacy Group, Inc. repeats and incorporates by reference paragraphs 1 through 40 of this complaint as though fully set forth herein.

- 36. Plaintiff is informed, believes, and thereon alleges that each of Defendants' violations of Proposition 65 as to the Tape have been ongoing and continuous to the date of the signing of this complaint, as Defendants engaged and continue to engage in conduct which violates Health and Safety Code section 25249.6, including the manufacture, distribution, promotion, and sale of the Tape, so that a separate and distinct violation of Proposition 65 occurred each and every time a person was exposed to Lead by the Tape, as mentioned herein.
- 37. Plaintiff is informed, believes, and thereon alleges that each violation of Proposition 65 mentioned herein is ever continuing. Plaintiff further alleges and believes that the violations alleged herein will continue to occur in the future.
- 38. Based on the allegations herein, Defendants are liable for civil penalties of up to \$2,500.00 per day per individual exposure to Lead from the Tape, pursuant to Health and Safety Code section 25249.7(b).
- 39. In the absence of equitable relief, the general public and Defendants' employees will continue to be involuntarily exposed to Lead that is contained in the Tape, creating a substantial risk of irreparable harm. Thus, by committing the acts alleged herein, Defendants have caused irreparable harm for which there is no plain, speedy, or adequate remedy at law.
- 40. Plaintiff has engaged in good faith efforts to resolve the claims alleged herein prior to filing this Complaint.

SECOND CAUSE OF ACTION

- (By Consumer Advocacy Group, Inc. and against Fine Discount No. 1, Inc., General Discount Stores, and Does 1-50 for Violations of Proposition 65, The Safe Drinking Water and Toxic Enforcement Act of 1986 (Health & Safety Code, §§ 25249.5, et seq.))
 - 100 AMP Battery Booster Cable, "Heavy Duty," "Copper," "Made to the Highest
- FIRST AMENDED COMPLAINT FOR VIOLATION OF PROPOSITION 65, THE SAFE DRINKING WATER AND TOXIC ENFORCEMENT ACT OF 1986 (HEALTH AND SAFETY CODE § 25249.5, ET SEQ.)

- 42. Each of the Defendants, Fine Discount, General Discount, and Does 1-50, is, and at all times mentioned herein was, a manufacturer, distributor, promoter, or retailer of 100 AMP Battery Booster Cable, "Heavy Duty," "Copper," "Made to the Highest Specifications," (hereinafter "Booster Cable"), a consumer product designed for reviving car batteries.
- 43. Plaintiff is informed, believes, and thereon alleges that Booster Cable contains Lead.
- 44. Defendants knew or should have known that Lead has been identified by the State of California as a chemical known to cause cancer and reproductive toxicity and therefore was subject to Proposition 65 warning requirements. Defendants were also informed of the presence of Lead in Booster Cable by virtue of Plaintiff's notice of alleged violations further discussed above at Paragraph 21.
- 45. Plaintiff's allegations regarding Booster Cable concern "[c]onsumer products exposure[s]," which "is an exposure that results from a person's acquisition, purchase, storage, consumption, or other reasonably foreseeable use of a consumer good, or any exposure that results from receiving a consumer service." *Cal. Code Regs.* tit. 27, § 25602(b). Booster Cable is a consumer product, and, as mentioned herein, exposures to Lead took place as a result of such normal and foreseeable consumption and use.
- 46. Plaintiff's allegations regarding Booster Cable also concern "[o]ccupational exposure[s]," which are exposures "to any employees in his or her employer's workplace." *Cal. Code Reg.* tit. 27, § 25602(f). As mentioned herein, employees were exposed to Lead in their employer's workplace as a result of handling Booster Cable, in conjunction with packaging, shipping, distributing and/or selling Booster Cable, among other activities, without having first been given clear and reasonable warnings that such handling would cause exposures to Lead.
- 47. Plaintiff is informed, believes, and thereon alleges that between June 28, 2007 and the present, each of the Defendants knowingly and intentionally exposed their employees and California consumers and users of Booster Cable, which Defendants manufactured,

distributed, or sold as mentioned above, to Lead, without first providing any type of clear and reasonable warning of such to the exposed persons before the time of exposure. Defendants have distributed and sold Booster Cable in California. Defendants know and intend that California consumers will use and consume Booster Cable thereby exposing them to Lead. Defendants thereby violated Proposition 65.

- 48. The principal routes of exposure were through inhalation, oral ingestion, including hand to mouth pathways, and trans-dermal absorption. Persons sustain exposures by handling the Booster Cable without wearing gloves or by touching bare skin or mucous membranes with gloves after handling the Booster Cable, as well as hand to mouth contact, hand to mucous membrane, or breathing in particulate matter emanating from the Booster Cable during installation and use. Additionally, Children and infants may be exposed by touching the Booster Cable and putting the Booster Cable in their mouths.
- 49. Plaintiff is informed, believes, and thereon alleges that each of Defendants' violations of Proposition 65 as to Booster Cable have been ongoing and continuous to the date of the signing of this complaint, as Defendants engaged and continue to engage in conduct which violates Health and Safety Code section 25249.6, including the manufacture, distribution, promotion, and sale of Booster Cable, so that a separate and distinct violation of Proposition 65 occurred each and every time a person was exposed to Lead by Booster Cable as mentioned herein.
- 50. Plaintiff is informed, believes, and thereon alleges that each violation of Proposition 65 mentioned herein is ever continuing. Plaintiff further alleges and believes that the violations alleged herein will continue to occur into the future.
- 51. Based on the allegations herein, Defendants are liable for civil penalties of up to \$2,500.00 per day per individual exposure to Lead from Booster Cable, pursuant to Health and Safety Code section 25249.7(b).
- 52. In the absence of equitable relief, the general public and Defendants' employees will continue to be involuntarily exposed to Lead that is contained in Booster Cable, creating

a substantial risk of irreparable harm. Thus, by committing the acts alleged herein,

Defendants have caused irreparable harm for which there is no plain, speedy, or adequate
remedy at law.

53. Plaintiff has engaged in good faith efforts to resolve the claims alleged herein prior to filing this Complaint.

THIRD CAUSE OF ACTION

(By Consumer Advocacy Group, Inc. and against Fine Discount No. 1, Inc., General Discount Stores, Electrix, Inc., and Does 1-50 for Violations of Proposition 65, The Safe Drinking Water and Toxic Enforcement Act of 1986 (Health & Safety Code, §§ 25249.5, et seg.))

Indoor/Outdoor Floodlight Holder Kit, Item No. EC1806FL

- 54. Plaintiff Consumer Advocacy Group, Inc. repeats and incorporates by reference paragraphs 1 through 53 of this complaint as though fully set forth herein.
- 55. Each of the Defendants, Fine Discount, General Discount, Electrix, and Does 1-50, is, and at all times mentioned herein was, a manufacturer, distributor, promoter, or retailer of Indoor/ Outdoor Floodlight Holder Kit, Item No. EC1806FL (hereinafter "Floodlight Holder"), a consumer product designed for mounting lights.
- 56. Plaintiff is informed, believes, and thereon alleges that Floodlight Holder contains Lead.
- 57. Defendants knew or should have known that Lead has been identified by the State of California as a chemical known to cause cancer and reproductive toxicity and therefore was subject to Proposition 65 warning requirements. Defendants were also informed of the presence of Lead in Floodlight Holder by virtue of Plaintiff's notice of alleged violations further discussed above at Paragraph 22.
- 58. Plaintiff's allegations regarding Floodlight Holder concern "[c]onsumer products exposure[s]," which "is an exposure that results from a person's acquisition, purchase, storage, consumption, or other reasonably foreseeable use of a consumer good, or any exposure that results from receiving a consumer service." Cal. Code Regs. tit. 27, §

- 25602(b). Floodlight Holder is a consumer product, and, as mentioned herein, exposures to Lead took place as a result of such normal and foreseeable consumption and use.
- 59. Plaintiff is informed, believes, and thereon alleges that between June 28, 2007 and the present, each of the Defendants knowingly and intentionally exposed California consumers and users of Floodlight Holder, which Defendants manufactured, distributed, or sold as mentioned above, to Lead, without first providing any type of clear and reasonable warning of such to the exposed persons before the time of exposure.

 Defendants have distributed and sold Floodlight Holder in California. Defendants know and intend that California consumers will use and consume Floodlight Holder thereby exposing them to Lead. Defendants thereby violated Proposition 65.
- 60. The principal routes of exposure were through inhalation, oral ingestion, including hand to mouth pathways, and trans-dermal absorption. Persons sustain exposures by handling the Floodlight Holder Kit without wearing gloves or by touching bare skin or mucous membranes with gloves after handling the Floodlight Holder Kit, as well as hand to mouth contact, hand to mucous membrane, or breathing in particulate matter emanating from the Floodlight Holder Kit during installation and use. Additionally, Children and infants may be exposed by touching the Floodlight Holder Kit and putting their hands in their mouths.
- 61. Plaintiff is informed, believes, and thereon alleges that each of Defendants' violations of Proposition 65 as to Floodlight Holder have been ongoing and continuous to the date of the signing of this complaint, as Defendants engaged and continue to engage in conduct which violates Health and Safety Code section 25249.6, including the manufacture, distribution, promotion, and sale of Floodlight Holder, so that a separate and distinct violation of Proposition 65 occurred each and every time a person was exposed to Lead by Floodlight Holder as mentioned herein.

- 62. Plaintiff is informed, believes, and thereon alleges that each violation of Proposition 65 mentioned herein is ever continuing. Plaintiff further alleges and believes that the violations alleged herein will continue to occur in the future.
- 63. Based on the allegations herein, Defendants are liable for civil penalties of up to \$2,500.00 per day per individual exposure to Lead from Floodlight Holder, pursuant to Health and Safety Code section 25249.7(b).
- 64. In the absence of equitable relief, the general public will continue to be involuntarily exposed to Lead that is contained in Floodlight Holder, creating a substantial risk of irreparable harm. Thus, by committing the acts alleged herein, Defendants have caused irreparable harm for which there is no plain, speedy, or adequate remedy at law.
- 65. Plaintiff has engaged in good faith efforts to resolve the claims alleged herein prior to filing this Complaint.

PRAYER FOR RELIEF

Plaintiff demands against each of the Defendants as follows:

- 1. A permanent injunction mandating Proposition 65-compliant warnings;
- 2. Penalties pursuant to Health and Safety Code section 25249.7, subdivision (b);
- 3. Costs of suit:
- 4. Reasonable attorney fees and costs; and

July 26,2011

5. Any further relief that the court may deem just and equitable.

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YEROUSHALMI & ASSOCIATES

uben Yeroushalmi Attorneys for Plaintiff, Consumer Advocacy Group, Inc.